MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 3, 2015/2016

BBL 2614 – BUSINESS LAW

(All sections / Groups)

1st June 2016
09:00 A.M. – 12:00 P.M.
(3 Hours)

INSTRUCTIONS TO STUDENTS

1. This question paper consists of FOUR **(4)** printed pages (including cover page) with FOUR (4) Questions.

2. Answer **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Please write your answers in the answer booklet provided.

QUESTION 1 (25 MARKS)

(a) A marketing staff from Relaxing Resort Sdn. Bhd. visits Richard on 1 May, 2016. He informs Richard, who is looking for a hotel to celebrate his birthday, that his company is prepared to offer the Hotel Ball room at a price of RM3,000.00. Richard is hesitant and decides to think the matter over. The marketing staff left, pointing out that the price only remains open until 8 May 2016.

On the following day, Richard sees an advertisement by Relaxing Resort Sdn. Bhd. which offers the Hotel Ball room at a price of RM2,500.00. He immediately telephones Relaxing Resort in order to accept the terms of this advertisement. The company replies that owing to a high demand, the advertised offer has been withdrawn.

On 7 May, Richard telephones Relaxing Resort Sdn. Bhd. again. He leaves a message with the answering service in which he accepts the offer of RM3,000.00 made by the company marketing staff. He also sends a letter confirming the reservation that afternoon. He later goes for a drink at nearby Starbucks where a friend of his informs him that he can rent the Hotel Ball room for just RM2,000.00. Richard rushes home and telephones Relaxing Resort Sdn. Bhd. expressing his wish to cancel the order. The secretary, now on duty, points out that she has not yet had an opportunity of listening to the answering service tapes but that she will note down his wishes. Richard's letter of the 7th May arrives on the 9th May at Relaxing Resort Sdn. Bhd.'s premises.

Advise Richard whether he has concluded a contract with Relaxing Resort Sdn. Bhd.

(16 Marks)

(b) Discuss executory, executed and 'past' consideration and distinguish them by using examples of decided cases.

(9 Marks)

QUESTION 2 (25 MARKS)

Section 27 Sales of Goods Act (1957) states that as a general rule, no one can transfer a better title than he himself possess. So when a buyer buys goods from someone other than the owner of the goods, he will not obtain a good title, even though he had acted in good faith and without knowledge of the lack of title of the seller. However the Act provides for exceptions to this rule. Discuss the general rule and the exceptions by referring to relevant sections and cases.

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QUESTION 3 (25 MARKS)

(a) Last week, Sarah went to a Mantap Electronics Sdn Bhd and was interested in purchasing a television, a microwave oven, a washing machine and a refrigerator for her new home. However, she did not have enough cash and the owner of Mantap Electronics Sdn Bhd suggested that she enters into a hire-purchase agreement with Baik Finance Berhad (BFB) which provides financial assistance. Sarah agreed and was asked to sign a hire-purchase agreement. The agreement is for all the goods but it does not state how much she has to pay monthly, the term charges and the number of instalments she has to pay in total. When she enquired, she was told that the details will be filled in later and that she should just sign it first. Sarah requested a copy of the agreement to be given to her. Three weeks have passed since she signed the agreement but she has not received a copy. Instead, BFB asked Sarah to pay for the first monthly instalment. Sarah is not sure of the validity of the hire-purchase agreement.

At the same time, Sarah is worried because she just received a written 4th Schedule Notice from Bank Handal Berhad (BHB) for failing to pay three monthly instalments consecutively as required by vehicle hire purchase agreement which she has entered last year. Two weeks later, BHB sent it's agent to repossess the car from Sarah. Sarah dissatisfied with BHB's action and intended to take legal action.

Advise Sarah.

(20 Marks)

(b) Discuss the rights of guarantors as provided in Hire Purchase Act 1967.

(5 Marks)

QUESTION 4 (25 MARKS)

(a) Analyse the situations below by determining the types of agency between the involved parties. Support your answer with relevant legal authorities.

(i) A lorry loaded with fruits driven by Mansor from Malacca to Johor was involved in an accident. Mansor could not find another vehicle to deliver the fruits to Johor. Although he had tried a couple of times, he still failed to contact Ah Keong, the fruit owner who was in Terengganu. Therefore, Mansor sold the fruits which he carried to nearby villagers.

(8 Marks)

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(ii) Alan has given his van to Kassim to help him look for a buyer. Alan reminded Kassim not to sell the van as he would sell it himself. However, Kassim sold the van to Mei Ling with a price of RM70,000. Alan was not really happy with Kassim's act. However, he took a cheque drawn by Mei Ling amounting to RM 70,000.00 and deposited it in his account.

(8 Marks)

(b) Insurance contracts are ubemarie fidei (utmost good faith). Explain the meaning of this legal principle.

(9 Marks)

End of Paper